

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

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	: Chapter 11
In re:	:
	: Case No. 08-35653 (KRH)
CIRCUIT CITY STORES, INC.,	:
<u>et al.</u> ,	:
	: Jointly Administered
Debtors. ¹	:
	:
-----	x

AFFIDAVIT OF PUBLICATION OF TIM HART
IN THE FINANCIAL TIMES

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc. (6796), Sky Venture Corp. (0311), Prahs, Inc. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.

AFFIDAVITS

IN THE MATTER CIRCUIT CITY
OF:

STATE OF NEW YORK: |

SS: |

COUNTY OF NEW YORK: |

I, Tim Hart, being duly sworn, hereby certify that (a) I am the Vice President - Financial Advertising of FT Publications, Inc., Publisher of the FINANCIAL TIMES, a daily newspaper general circulation in the City and County of New York, and (b) that the Notice of which the annexed is a copy was published in the AMERICAS EDITION OF THE FINANCIAL TIMES on the

24th day of November 2008

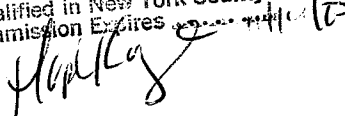


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In re:
CIRCUIT CITY STORES, INC., et al.,
Debtors.

Chapter 11
Case No. 08-35653-KRH
Jointly Administered

ESTATES

PLEASE TAKE NOTICE that on November 10, 2008 ("Petition Date"), Circuit City Stores, Inc. ("Circuit City") and certain of its subsidiaries and affiliates (the "Affiliate Debtors"), and together with Circuit City, the "Debtors"), commenced cases under chapter 11 of title 11 of the United States Code 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). Subject to certain exceptions, section 362 of the Bankruptcy Code operates as a stay of any act to obtain possession of property of the Debtors' estates or of property from the Debtors' estates or to exercise control over property of the Debtors' estates.

PLEASE TAKE FURTHER NOTICE that on November 10, 2008, the Debtors filed a motion seeking entry of an order pursuant to sections 105, 362, and 541 of the Bankruptcy Code establishing notice, hearing, and sell-down procedures for trading in equity securities and claims against the debtors' estates (the "Motion").

PLEASE TAKE FURTHER NOTICE that on November 13, 2008, the United States Bankruptcy Court for the Eastern District of Virginia (the "Court") entered an order approving the procedures set forth below in order to preserve the Debtors' net operating losses and certain other tax attributes ("Tax Attributes") pursuant to sections 105, 362, and 541 of the Bankruptcy Code (the "Order"). Except as otherwise provided in the Order, any sale or other transfer of claims against or equity securities in the Debtors in violation of the procedures set forth below shall be null and void ab initio as an act in violation of the automatic stay under section 362 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that:

Section 1. Pursuant to the Order, the following procedures shall apply to transfers of claims against, or equity securities in, the Debtors.

Section 2. **Generally.** Any purchase, sale, or other transfer of claims against, or equity securities in, the Debtors in violation of the procedures set forth herein (including the notice requirements set forth in Sections 3(a) and 4(a) and (c) below) shall be null and void ~~ab initio~~ as an act in violation of the automatic stay under U.S.C. §§ 362 and 105(a) of the Bankruptcy Code.

Section 3. Equity Securities. The following procedures shall apply to trading in equity securities of Circuit City Stores, Inc. ("Circuit City"):

(b) Any person or entity (as defined in Treasury Regulations Section 1.382-3(a) for purposes of this Section 3) who currently is or becomes a Substantial Shareholder (as defined in Paragraph (c) below) shall file with this Court, and serve on counsel to the Debtors, a notice of such status, in the form attached hereto as Exhibit A-1, on or before the later of (A) twenty (20) calendar days after the effective date of the notice of entry of the Order or (B) ten (10) calendar days after becoming a Substantial Shareholder.

(b) At least thirty (30) calendar days prior to effectuating any transfer of equity securities (including Options) to acquire such securities, as defined below) that would result in an increase in the amount of Circuit City Stock beneficially owned by a Substantial Shareholder or would result in a person or entity becoming a Substantial Shareholder, such Substantial Shareholder shall file with this Court, and serve on counsel to the Debtors, advance written notice, in the form attached hereto as Exhibit A-2, of the intended transfer of equity securities.

(c) At least thirty (30) calendar days prior to effectuating any transfer of equity securities (including Options to acquire such securities) that would result in a decrease in the amount of Circuit City Stock beneficially owned by a Substantial Shareholder or would result in a person or entity ceasing to be a Substantial Shareholder, such Substantial Shareholder shall file with this Court, and serve on counsel to the Debtors, advance written notice, in the form attached hereto as Exhibit A-3, of the intended transfer of equity securities (the notices required to be filed and served under Paragraph (b) and this Paragraph (c), each a "Notice of Proposed Transfer").

(d) The Debtors shall have thirty (30) calendar days after receipt of a Notice of Proposed Transfer to file with this Court and serve on such Substantial Shareholder an objection to any proposed transfer of equity securities described in the Notice of Proposed Transfer on the grounds that such transfer may adversely affect the Debtors' ability to utilize their Tax Attributes. If the Debtors file an objection, such transaction will not be effective unless approved by a final and nonappealable order of this Court. If the Debtors do not object within such 30-day period, such transaction may proceed solely as set forth in the Notice of Proposed Transfer. Further transactions within the scope of this Paragraph must be the subject of additional notices as set forth herein, with an additional 30-day waiting period.

(e) For purposes of this Notice, (A) a "Substantial Shareholder" is any person or entity which beneficially owns at least 7,848,226 shares (representing approximately 4.75% of all issued and outstanding shares) of the common stock of ("Circuit City Stock"), and (B) "beneficial ownership" (or any variation thereof of Circuit City Stock and Options to acquire Circuit City Stock) shall be determined in accordance with applicable rules under Section 382 of the I.R.C., Treasury Regulations promulgated thereunder and rulings issued by the Internal Revenue Service, and thus, to the extent provided therein, from time to time shall include, without limitation, (i) direct and indirect ownership (e.g., a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), (ii) ownership by such holder's family members and persons acting in concert with such holder to make a coordinated acquisition of stock, and (iii) an Option to acquire Circuit City Stock. An "Option" to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture; contract to acquire stock, or similar interest, regardless of whether it is contingent or otherwise not currently exercisable. For the avoidance of doubt, by operation of the definition of beneficial ownership in clause (B) of this Paragraph, an owner of an Option to acquire Circuit City Stock may be treated as the owner of such Circuit City Stock.

Section 4. Claims. The following procedures shall apply to trading in claims against the Debtors:

(a) Notice of 3821(f)(3) Plan and 3821(f)(5) Disclosure Statement. The Debtors shall, upon filing a disclosure statement with respect to a 3821(f)(5) Plan (a "3821(f)(5) Disclosure Statement"), simultaneously file with the Court and further publish and serve in the manner specified in Paragraph (i) below a separate notice ("Disclosure Statement Notice") in substantially the form attached as Exhibit B-1. The Disclosure Statement Notice shall (i) state that a 3821(f)(5) Plan has been filed with the Court, (ii) disclose the most current estimate of the Threshold Amount and (iii) set a record date, which shall be 5:00 p.m., Eastern Time, on the date set

by the Court that is ten (10) business days prior to the date set for the hearing on the 382(l)(5) Disclosure Statement (the "Disclosure Statement Notice Record Date"). Each Beneficial Claimholder who holds more than the Threshold Amount (each, a "Substantial Claimholder") as of the Disclosure Statement Notice Record Date is hereby ordered and directed to email and fax to counsel to the Debtors a report in the form attached hereto as Exhibit B-2 (the "Initial Holdings Report") identifying: (i) the nature and amount of Claims held by such Beneficial Claimholder as of the Disclosure Statement Notice Record Date (the "Initial Holdings"); and (ii) the Protected Amount that is in excess of the Threshold Amount. The Initial Holdings Report shall be subject to the confidentiality provisions set forth in Paragraph (f) below and shall be served in accordance with the preceding sentence no later than three (3) business days prior to the first date set by the Court for the hearing to consider the 382(l)(5) Disclosure Statement to the email addresses and fax numbers identified on the attached Exhibit B-2. In the event that the hearing to consider the 382(l)(5) Disclosure Statement is adjourned or continued, Substantial Claimholders shall not be required to amend or update their Initial Holdings Reports unless, in the event of an adjournment or continuance, the Debtors establish a new Disclosure Statement Notice Record Date and provides notice thereof, in which case the process above will re-commence.

(b) **3821(1)(5) Disclosure Statement.** The 3821(1)(5) Disclosure Statement shall contain information adequate to permit a party entitled to vote on a 3821(1)(5) Plan to determine whether a 3821(1)(5) Plan provides greater value than possible alternatives and shall include, without limitation, the following disclosures: (i) the net present value of the projected tax savings of the 3821(1)(5) Plan as compared to a 3821(6) Plan based on the financial projections included in the 3821(1)(5) Disclosure Statement; (ii) a description of the restrictions on trading with respect to the common stock and any other securities of the reorganized Debtors (the "**Affected Securities**") that will be required or imposed under the 3821(1)(5) Plan after the Effective Date to preserve such tax savings; (iii) the projected value of the Affected Securities in the aggregate; and (iv) the projected tax savings of the 3821(1)(5) Plan as a percentage of the aggregate value of the Affected Securities. In addition, the Debtors shall promptly (and in any event before the end of the hearing on the 3821(1)(5) Disclosure Statement) disclose on a separate filing with the SEC on Form 8-K (i) the aggregate amount of Initial Holdings (the "**Total Initial Holdings**"); and (ii) the estimated maximum amount and percentage of the Total Initial Holdings in each class that may be required to be sold down as provided below. Such disclosures shall be included in the final 3821(1)(5) Disclosure Statement. The foregoing does not limit in any way the right of any party in interest to object to the adequacy of the information in the 3821(1)(5) Disclosure Statement.

(c) Notice of Claimholder Acceptance of 382(1)(5) Plan. The Debtor shall file with the Court and further publish and serve in the manner specified in Paragraph (g) below, not less than ten (10) days prior to the commencement of the Confirmation Hearing, a notice (the "Pre-Confirmation Notice") substantially in the form attached hereto as Exhibit B-3, setting forth: (i) a record date, which shall be 5:00 p.m., Eastern Time, on a date that is ten (10) days prior to the first date set by the Court for the Confirmation Hearing (the "Pre-Confirmation Notice Record Date"); and (ii) identifying the most current estimate of the Threshold Amount (determined as of the Pre-Confirmation Notice Record Date). Each Beneficial Claimholder who is a Substantial Claimholder (as determined by the Threshold Amount identified in the Pre-Confirmation Notice) as of the Pre-Confirmation Notice Record Date is hereby ordered and directed to deliver, via e-mail and fax, a report in the form attached hereto as Exhibit B-4 (the "Final Holdings Report") identifying the nature and amount of claims held by such Beneficial Claimholder as of the Pre-Confirmation Notice Record Date (the "Final Holdings"). The Final Holdings Report shall be subject to the confidentiality provisions set forth in Paragraph (j) below and shall be served on counsel to the Debtors no later than the date that is three (3) business days prior to the first date set by the Court for the Confirmation Hearing to the e-mail addresses and fax numbers identified on the attached Exhibit B-2. For any Substantial Claimholder who did not serve an Initial Holdings Report, the Final Holdings Report shall also contain such Substantial Claimholder's Protected Amount that is in excess of the Threshold Amount. In the event that the Confirmation Hearing is adjourned or continued, Substantial Claimholders shall not be required to amend or update their Final Holdings Reports unless, in the event of an adjournment or continuance, the Debtors establish a new Pre-Confirmation Notice Record Date and provides notice thereof, in which case the process above will re-commence.

(d) **Sell-Down Notice.** If the Court confirms the 382(1)(5) Plan, the Debtors shall serve a notice substantially in the form attached hereto as **Exhibit B-5** (the "Sell-Down Notice") by overnight delivery service within the United States upon each Substantial Claimholder (as of the Pre-Confirmation Notice Record Date) within five (5) business days after the entry of the order confirming the 382(1)(5) Plan. The Sell-Down Notice shall (i) state that the 382(1)(5) Plan has been confirmed; (ii) contain the results of the calculations described in Paragraph (f)(i) below, including the calculation of the Maximum Amount and the information used to perform all such calculations to the extent that the Debtors are not required by the Order or other confidentiality restrictions to keep such information confidential; and (iii) provide notice that, pursuant to the Order, each Substantial Claimholder is ordered and directed to comply with the Sell-Down Procedures (set forth in Paragraph (f) below) before the Effective Date.

(e) **Effective Date.** The Effective Date of any 382(1)(5) Plan shall not be earlier than thirty (30) calendar days after the Confirmation Date.

(f) **Sell-Down Procedures.** If and only to the extent that a 382(f)(5) Plan is confirmed by this Court then, to the extent necessary to effectuate the 382(f)(5) Plan, each Beneficial Claimholder who is, as of the Pre-Confirmation Notice Record Date, a Substantial Claimholder (other than a Permitted Substantial Claimholder whose Claims shall not be required to be sold as part of the Sell-Down pursuant to Paragraph (f)(ii) below), is hereby ordered and directed to comply with the following sell-down procedures (the "Sell-Down Procedures"):

(c) **The Maximum Amount.** The Debtors shall calculate the maximum amount of claims that may be held, as of the Effective Date of the 382(f)(5) Plan, by a Substantial Claimholder that was a Substantial Claimholder as of the Pre-Confirmation Notice Record Date (the "**Maximum Amount**") as follows:

(1) Based upon the information provided by the Substantial Claimholders in the Final Holdings Reports, the Debtors shall calculate the total amount of claims that all Substantial Claimholders must sell to effectuate the 382(d)(5) Plan assuming that all Incremental Holdings will be sold prior to any Sell-Down of claims held by the Substantial Claimholders prior to the Disclosure Statement Notice Record Date and taking into account in its determination the portion of claims held by Substantial Claimholders that the Debtors reasonably conclude (based on evidence furnished by the Substantial Claimholders) have not existed since a date that was 18 months before the Petition Date and that are not "ordinary course" claims, within the meaning of Treasury Regulations Section 1.382-9(d)(2)(iv) (the "Sell-Down Amount").

(2) If the Sell-Down Amount is less than or equal to the Total Incremental Holdings, the Debtors shall calculate the amount of each Substantial Claimholder's *pro rata* share of the Sell-Down Amount (i.e., the Sell-Down Amount multiplied by a fraction, the numerator of which is the Substantial Claimholder's Incremental Holdings and the denominator of which is the Total Incremental Holdings):

(3) If the Sell-Down Amount exceeds Total Incremental Holdings, the Debtors shall calculate for each Substantial Claimholder the amount of such Substantial Claimholders' *pro rata* share of such excess (*i.e.*, the total amount of such excess multiplied by a fraction, the numerator of which is such Substantial Claimholder's Initial Holdings minus the Threshold Amount and the denominator of which is the Total Initial Holdings in excess of the Threshold Amount of all Substantial Claimholders) and add to that the amount of such Substantial Claimholder's Incremental Holdings; and

(4) For each Substantial Claimholder, the Debtors shall subtract from the total claims held by such Substantial Claimholder (as reported in the Final Holdings Report) such Substantial Claimholder's share of the Sell-Down Amount calculated in accordance with clauses (ii) or (iii) above, as applicable. The difference shall be the Maximum Amount.

(ii) Sell-Down. Prior to the Effective Date, the amount of claims equal to its share of the Protected Amount so that no Substantial Claimholder shall be required to stand anything to the contrary in the event of a Sell-Down to sell any claims if such sale would result in the ownership of an aggregate amount of claims less than the Protected Amount. Each Substantial Claimholder (as defined in the Indenture) subject to the Sell-Down to unrelated parties shall not have a reasonable basis to object to the Sell-Down after the contemplated consummation of the Sell-Down. The Maximum Amount for such Claimholders shall be the Protected Amount.

(iii). **Objections to Sell-Down Notice** the notice procedures contained in the from service of the Sell-Down Notice, or the Sell-Down Amount specified in, that such notice contained a mathematical Claimholder to reduce its ownership; for such Substantial Claimholder. In Claimholder shall disclose its holding of the objection and as of the time of a new Sell-Down Notice by overnight such errors; any Substantial Claimholder correction shall have twenty (20) calendar effect the additional Sell-Down.

(iv) **Notice of Compliance.** A Substantive Debtor, a written statement substantial Claimholder has complied with it that such Substantial Claimholder in excess of the greater of the Max Substantial Claimholder (the "Notice" to comply with this provision shall in excess of the greater of such claim Amount.

(v) **Applicable Authority.** For the Regulations promulgated thereunder, authority shall apply in determining must be aggregated when testing for except as specifically provided with the rules and authority identified in 1 to claims in the same manner as the

(vi) Subsequent Substantial Claimholder after the date retain jurisdiction so that the Debtor in the Order in order to protect the D

(g) **Claimholder Participation.** Section 1.382-9(d)(3), Any Beneficial plan of reorganization of or on behalf of making any suggestions or proposals, shall not, and shall not be as required to do so by an order of a court requirement to the Debtors that an official ownership are Newly Traded Debtors acknowledge and agree such activities the relevant Beneficially to the Debtors that such Traded Claims, constitute a violation to a proposed disclosure statement

(b) negotiating the terms of, or

(c) reviewing or commenting on a Committee or other official or advisor to its claims to the Debtors the Order. Any claimholder found and who, as a result, would prevent required to dispose of Newly Traded the manner specified in Paragraph described in Paragraph (h) below.

(h) Sanctions for Noncompliance
Self-Down applicable to it, such as
Beneficial Ownership of any Affected

382(1)(5) Plan with respect to any. Any Substantial Claimholder that Securities (the "Forfeiture Remedies") on notice to the Entity upon which basis. The Debtors also reserve the sanctions or damages for a willful such sanctions are sought to be in tax benefits caused by such violation to remedy such violation. An mentation of the 382(1)(5) Plan (the "Forfeited Equity") shall be immediately upon becoming a Debtors or, if all of the shares of Forfeited Equity have been sold, such Entity shall return to the re Entity and (b) the proceeds attributable Forfeited Equity and fails to cor additional sanctions as the Court Forfeited Equity in accordance with

(i) **Confidentiality.** The Initial Notices and the Notice of Compromise shall be provided to the Debtor, its officers, directors, and its principal financial officers, and to its accountants, as confidential information and shall be provided to the Debtor's legal and tax advisors to the Debtor. The Debtor, its officers, directors, and its principal financial officers, and its accountants, shall keep the information confidential and shall not disclose the information to any Entity (including the Debtor's legal and tax advisors) unless required to produce the information in a legal proceeding.

(j) **Notice.** Any notices required to be published in the *Richmond Times-Dispatch*. All notices required to be served by electronic means (e.g., e-mail) must include an e-mail address is known, if any, of the Office of the United States Trustee. Notices must be sent by overnight mail only; (b) the Sealed Bids Service; (d) the United States Auctors; and (e) the Prepetition Lenders; (f) the

* The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), interTAN, Inc. (0875), Venturix International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Papco Design, Inc. (6796), Sky Venture Corp. (0311), Pratts, Inc.(n/a), X5Stuff, LLC (9263), Mayland MN, LLC (6116), Courchere, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.